

## FACT SHEET

### *Treasury (Borrowing) Bill 2016*

Tasmanian Appropriation Acts typically contain a standard clause to enable the Treasurer to borrow such money as may be required for the purposes of the State.

A concern has been raised by a member of the Legislative Council that the standard form of borrowing power included in Appropriation Acts might not be effective, having regard to section 40 of the *Constitution Act 1934*.

The Constitution Act provides that a Bill for an Appropriation Act shall not deal with any matter other than the issue, application and appropriation of money out of the Consolidated Fund.

Legal advice has been obtained from the Solicitor-General of Tasmania in relation to the concerns raised.

It is the Government's view that the law is not clear but that, in order to comply with the general principles set out in the Constitution Act, it is sensible for any borrowing powers to be included in a separate enactment.

It is the purpose of this Bill to ensure that borrowing powers are explicitly conferred by legislative authority.

The Government considers that the authority conferred by this Bill should be limited, consistent with past practice having regard to the annual nature of Appropriation Bills, and that the authority should expire on 3 July 2017. This will provide the Treasurer with borrowing powers sufficient to enable the end of year borrowing to be undertaken on both 30 June 2016 and 30 June 2017.

It is the Government's view that any uncertainty in relation to the validity of past borrowings should also be removed. This Bill includes a clause to remove doubts and validate any affected past borrowings.